Weekly Economic Review

Employment falls again

Employment

Drifting lower

Alberta experienced mild job losses for the third-straight month, with employment down 4,300 in July. Since April, there have been 15,700 jobs lost, the largest three-month decline in over five years. The unemployment rate jumped 0.3 percentage points to 6.0%, the highest level since 2010. Job losses in July were concentrated in the private sector (Chart 1). Public sector employment continued to increase, up by 2,400 in July and 45,100 over the last 12 months. Unlike in previous months, the service sector drove the monthly decline, losing 8,200 jobs. The goods sector added jobs for the first time since January (+4,000), but employment remains down 3.6% year-over-year (y/y). Employment nationally increased by 6,600 jobs in July, more than offsetting job losses in June. The unemployment rate remained at 6.8% for the sixth-straight month.

See this month's *Labour Market Notes* for a more detailed description of the Alberta labour market.

International Trade

Uptick in energy exports

After five months of declines, Alberta exports increased 7.0% in June to $7.6 billion. This increase was due to an 11% gain in energy product exports. Most of this gain was due to higher oil prices as the differential reached a 6-year low. Despite the rebound, total exports were down 22% y/y. For the third month in a row non-energy exports declined year-over-year (-2.8%). Farm and food products fell 11% y/y, due to strong canola exports in 2014. Though increasing in June, industrial machinery exports remains down 25% y/y.

Building Permits

Permits jump in June

Building permits spiked in June, increasing 22% to 1.7 billion, as both residential and non-residential permit values jumped. Non-residential permits increased for the fourth month in a row, supported by government and institutional permits, specifically permits for schools. Even with this support, non-residential permits remained down 6.8% year-to-date, as industrial and commercial permits were down about 25%. Residential building permits increased 19% following three months of decreases. The increase was concentrated in Calgary, as permits rebounded after a large decline in May. Despite these gains, residential permits remained down 7.0% year-to-date.

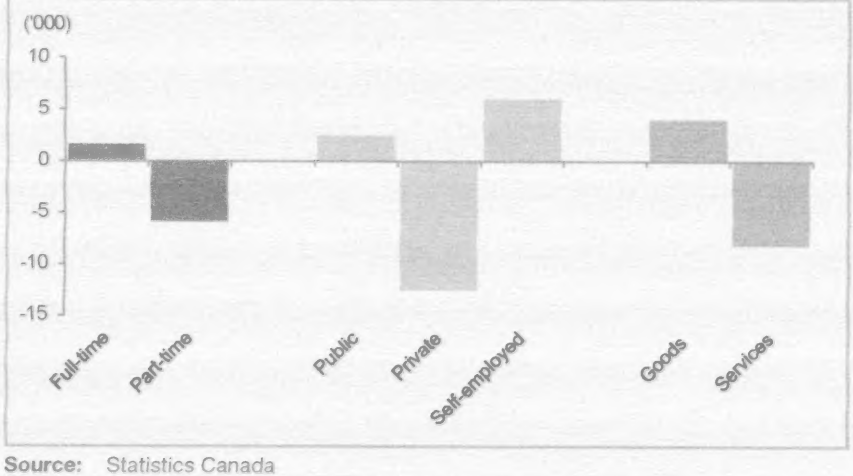
US Employment

Steady job growth continues

The US labour market created 215,000 jobs in July, slightly above the monthly average of 211,000 jobs added during the first half of 2015. The unemployment rate was unchanged at 5.3%, after declining to its lowest level since mid-2008. Ninety per cent of the new jobs came from private sector service industries, led by business and professional services. The mining sector shed another 4,900 jobs and has lost 78,100 positions year-to-date. Broader indicators like the average length of unemployment spells and the number of long-term unemployed have also recovered markedly over the past year.

Chart 1: Employment falls on fewer part-time and service sector jobs

Monthly change in employment by category



Source: Statistics Canada

Contact

Erin Bartmanovich 780.427.8814

Please see the *Alberta Economy- Indicators at a Glance* for a snapshot of Alberta indicators.